

HEALTH & EDUCATION COMMITTEE

May 25, 2010

5:30 p.m. School Board Central Office

MINUTES:

MEMBERS PRESENT:

Commissioner Bob Bullen
Commissioner Carol Cook
Commissioner Trey Gooch
Commissioner Will Jordan
Commissioner Allen McAdoo
Commissioner Ronald Williams
Commissioner Jeff Jordan, C

OTHERS PRESENT:

Ernest Burgess
Joyce Ealy
Joe F. Jernigan
Robert Peay
Doug Shafer
Terry Hodge
Dorris Jernigan
Rick Wise
Lisa Nolen
Harry Gill
Jeff Sandvig
Joyce Michaels
Wayne Blair
Mark Byrne
Donald Jernigan
Gary Clardy

Chairman J. Jordan presided and called the meeting to order at 5:30 p.m. with all members being present at that time.

MINUTES:

"Commissioner W. Jordan moved, seconded by Commissioner Williams, to approve the minutes of the last meeting. This motion passed unanimously by acclamation."

COMMUNITY CARE REPORT:

Chairman Jordan presented the May 6, 2010 minutes of Community Care for the use and information of the Committee. Following discussion,

"Commissioner Bullen moved, seconded by Commissioner Cook, to approve the Community Care report as presented. This motion passed unanimously by acclamation."

HEALTH DEPARTMENT REPORT:

Finance Director Lisa Nolen presented a proposed budget amendment of \$10,000 from Account #101-39000 (Undesignated Fund Balance) to Account #101-55110-452 (Utilities). Following discussion,

"Commissioner McAdoo moved, seconded by Commissioner Bullen, to approve the budget amendment of \$10,000 from Account #101-39000 (Undesignated Fund Balance) to Account #101-55110-452 (Utilities). This motion passed unanimously by roll call vote."

BOARD OF EDUCATION REPORT:

Harry Gill presented the Board of Education report first presenting proposed General Purpose Budget amendments of (1) an amendment reducing Career Ladder revenue, Account 46610, by \$114,070 and reducing expenditures for Career Ladder with adjustments to Extended Contract expenditures for a reduction in expenditures of \$114,070. These are State funds that have declined as teachers in these programs have retired; (2) an amendment budgeting a \$10,000 contribution to the Coordinated School Health program that Middle Tennessee Medical Center made towards a fitness center at Smyrna Middle School. Other funds from the State's CSH grant will cover the balance of this expenditure. The Safe Schools part of the amendment is in Account 72130. The amendment covers \$129,832 in revenues and expenditures. These funds must be spent this school year for this program. There is also a revenue account change for this year's Safe School grant because it is funded from State fiscal stimulus funds; (3) an amendment to reallocate \$140,894 in already budgeted classified staff expenditures and \$25,375 in related benefits, a total of \$166,269, to the budget lines where those funds are needed.

Most of the funds being reallocated are available because of unfilled educational assistant positions; (4) an amendment reallocating \$224,200 in already budgeted certified staff expenditures and \$22,400 in related benefits, a total of \$246,600, to the budget lines where those funds are needed. Most of the funds being reallocated are being reallocated because of the mix between vocational and regular educational classes and the payment of negotiated bonuses for national certification; (5) an amendment funding \$704,665 in additional employee medical insurance costs for this year. The source of the funding is a net decrease of \$600,278 in already budgeted staff expenditures and \$104,387 in related benefits for a total of \$704,665. Most of the staff funds being reallocated are available due to turnover in classified positions. The increases in the staff amendments are budget adjustments and not changes to positions; (6) an amendment to cover \$435,264 in additional employee retirement expenditures by reallocating \$288,776 from the line item for electricity, \$71,009 from vacant educational assistants and \$75,479 in various other employee benefit accounts. The increases in FICA and Medicare in Account 71100, Regular Instruction, are due to the savings from pre-tax benefits that were primarily budgeted in that function. This amendment adjusts FICA and Medicare throughout the budget to reflect actual effect of pre-tax benefits. Following discussion,

"Commissioner Gooch moved, seconded by Commissioner Bullen, to approve the budget amendments as presented including (1) amending \$114,070 from Career Ladder revenue, Account 46610, and to reduce a total of \$114,070 in related expenditures for Career Ladder and to adjust Extended Contract expenditures as presented; (2) amend \$10,000 for a grant from Middle Tennessee Medical Center and the related Coordinated School Health expenditures and to amend \$129,832 in Safe School Revenue from the State and those related expenditures as presented; (3) amend \$140,894 in budgeted classified staff budget lines and \$25,375 in budgeted benefits to other classified staff expenditures and benefits as presented; (4) amend \$224,200 in budgeted certified staff budget lines and \$22,400 in budgeted benefits to other certified staff expenditures and benefits as presented; (5) amend \$704,665 in additional employee medical insurance costs and to reduce staff expenditures by \$600,278 and \$104,387 in related benefits as presented and (6) amend \$435,264 in additional employee retirement expenditures by reallocating \$288,776 from the line item for electricity, \$71,009 from vacant educational assistants and \$75,479 in various other employee benefit accounts as presented. This motion passed unanimously by roll call vote."

The Committee was next presented the matter of State loan documents from EESI for Excel Energy lighting sensors being advised the School Board received the State's EESI loan documents May 20, 2010. EESI changed the term of the 3% loan from seven to five years because the payback is good enough that they want RCSD paid off in as short a time as practical. The \$500,000 loan is still at 0% for seven years. This change increases the annual loan payments by approximately \$29,751 but over the life of the loan cuts the interest expense from \$127,279 to \$85,624 for a \$41,655 savings in interest expenditures. Following discussion,

"Commissioner Bullen moved, seconded by Commissioner Cook, to approve the State's EESI loan documents for financing the approved Excel Energy Lighting Sensor project. This motion passed unanimously by roll call vote."

The next matter presented was the Centralized Cafeteria Fund 143 2010/11 budget. The Committee was provided the major components of the 2010/11 operating budget for the Centralized Cafeteria Fund being advised the revenue numbers are conservative and may be increased after analyzing May operations. Operating expenses are up because of opening the two new middle schools and Central Magnet School. The equipment expenditure has been increased as part

of the plan to use some of the excess balance that must be used to improve the program. Following discussion,

"Commissioner W. Jordan moved, seconded by Commissioner Bullen, to approve the 2010/11 budget for the Centralized Cafeteria Fund 143 as presented. This motion passed unanimously by roll call vote."

The next matter presented was an amendment to the 2009/10 Capital Projects Fund 177 budgeting an additional \$23,325 in property taxes that the Capital Improvements Fund will receive this year, an additional \$1,408 in Trustee's commission, and increases Fund Balance by \$21,917. The amendment also increases Architect's Fees and reduces Maintenance and Repairs Services – Buildings by \$1,000. Following discussion,

"Commissioner Bullen moved, seconded by Commissioner W. Jordan, to amend an additional \$23,325 in property tax revenue to the Capital Improvements Fund, an additional \$1,408 in Trustee's commission, to adjust \$1,000 between Architects Fees and Maintenance and Repairs Services – Buildings, and to increase Fund Balance by \$21,917 as presented. This motion passed unanimously by roll call vote."

The next item presented was the 2010/11 Capital Projects Fund 177 budget which is funded by 5¢ of the property tax. The 2010/11 budget uses all anticipated revenue of \$2,287,420 to fund the list of projects included roofing at Smyrna Elementary of \$526,065 and at Stewartsboro Elementary of \$694,430, renovations at McFadden of \$203,925 and at Central Magnet on grease traps of \$175,000, wastewater treatment at Kittrell of \$109,000 and at Lascassas of \$109,000 and window replacement at Campus School of \$423,000. Following discussion,

"Commissioner Gooch moved, seconded by Commissioner Bullen, to approve the 2010/11 budget for the Major Capital Projects Fund 177 and the list of projects as presented. This motion passed unanimously by roll call vote."

The Committee was next presented the 2010/11 GPS budget which provides for opening two new schools and Central Magnet. The Committee was provided a summary of the budget comparing it with the 2009/10 budget. The major increase is teachers required to open the new schools but has net cuts of 14.5 in EA positions. The total budget is \$256,801,110 versus last year's budget of \$243,442,833 or an increase of 5.1%. There are 104.8 new positions or 3%. The budget provides for growth in the 2% to 2.5% range.

The Committee was provided written information on positions reassigned or eliminated, what necessitated the increase in the budget and an explanation of funding. The budget as presented requires no tax increase.

The Committee was advised the increase in growth at the beginning of the current school year was 2.2% and slacked off toward the end of the year at 1.89% or about 800 students.

The budget provides for step raises for certified employees, advancements in degrees get the due compensation and 2% increases for classified personnel.

Mayor Burgess advised he was pleased with the budget and appreciated the hard work to present a workable and reasonable budget.

"Commissioner Bullen moved, seconded by Commissioner Cook, to accept the 2010/11 GPS Rutherford County Schools budget as presented and forward the same to the Budget Committee. This motion

passed unanimously by roll call vote."

RECORDS COMMISSION REQUEST:

Commissioner Ronald Williams advised the Records Commission has again ask to hold a workshop on recordkeeping before the schools start up again. Superintendent Gill advised they have met with Mr. Lodl and turned over a large amount of records and were waiting to hear back. Commissioner Williams advised Mr. Lodl wanted to review legal issues with the appropriate officials and would take less than an hour. Mr. Gill requested Mr. Lodl contact Jeff Sandvig go set up a workshop.

FUTURE MEETINGS:

The Committee was advised the next Health & Education Committee meeting will be June 22. Budget Committee has meetings scheduled for June 1 and June 3, a public hearing June 15 with two work sessions thereafter and the Commission to be held June 28 to adopt the budget.

There appearing to be no further business to come before the Committee, Chairman J. Jordan declared the meeting adjourned at 6:15 p.m.

JEFF JORDAN, Chairman